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20 AUG 1976

MEMORANDUM FOR: Chief, Management Assessment Staff, DDA

FROM : Robert W. Gambino  
Director of Security

SUBJECT : Presidential Management Initiatives

REFERENCE : Routing & Record Sheet dtd 16 Aug 76  
from C/MAS/DDA, same subject

1. Pursuant to reference request, the Office of Security submits the following as "functions against which we maintain productivity measurements."

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a.

b.

c. Technical Security Equipment Instruction

d. Field Investigative Assignments

e. Information Release (Handling of requests under the Freedom of Information Act, the Privacy Act and EO 11652)

2. Reference also requested the description of "past studies on contracting out functions" and specific comments on the feasibility of commercial contract for guard services. While no formal comprehensive study has been conducted previously, the Office of Security has addressed, at least in concept, the feasibility of a contract guard service. We have demurred from undertaking a full-scale study of this proposal because factors weighing heavily against such implementation completely negate any advantages derived from conversion to a contract guard force.

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a. Principal among these factors is the fact that a contract guard force would lack arrest power. Officers of the Federal Protective Service (FPS) have this power and have been required in several instances to use it.

b. The legality of contract guards carrying firearms varies among governmental jurisdictions, e.g., they may carry firearms in the District of Columbia but are precluded from doing so in Reston, Virginia.

c. The training of Federal Protective Officers is accomplished under a well organized program by the FPS. Contract guard personnel are subject to the quality of training provided by the contractor which may vary from one commercial firm to another. To insure uniform quality and understanding of Agency needs, it would be necessary to establish an Agency program to train each newly assigned guard to accommodate the peculiar needs of the Agency.

d. The FPS has indicated that contract guard services are procured via the normal contracting mechanism. The low bidder for any given year could well necessitate the wholesale changeover of a given guard force. In the case of CIA, this would be counterproductive both in terms of cost and quality of security provided.

e. The use of FPOs provides a relatively high degree of stability among guard personnel in Agency facilities. However, there has always been some difficulty in obtaining FPOs since not all personnel employed by FPS can meet our security standards even though they are subject to a screening process prior to employment by FPS. The problem of procuring suitable personnel who could meet our Agency security criteria via the commercial contract system would undoubtedly exacerbate this difficulty.

f. Another consideration to be addressed in a conversion to a contract guard force would be the initial monumental task and expense of investigating, clearing, and polygraphing [ ] guards required for coverage of Agency facilities. This undertaking would recur with each change in the contractor.

g. Finally, it is believed that replacement of the existing Federal Protective Service mechanism with a

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contract force would not result in any substantial cost savings. In fact, the costs, we surmise, would be about equal to that required to maintain the Federal Protective Service complement.

3. In December 1975, the Office of Security conducted a limited study concerning the cost factors of commercially contracted investigations. The Office of Security researched the cost factors associated with the maintenance of the current investigative capabilities and those projected under commercially contracted investigations. In short, this study determined that the in-house investigations would cost appreciably less than commercially contracted investigations.

4. While that study accented the comparative costs between in-house and commercially contracted investigations, it would have been incomplete without at least a reference to the fact that other factors and risks are associated with commercial investigations. Paramount among these factors is recognition that, even if we commercially contracted our investigative activities, the Office of Security at Headquarters would still have to adjudicate the results of the investigations. To insure a continuing quality control over these investigations, it is probable that the adjudication process would involve much more review of the investigative results and reports than is currently needed. The additional depth in the review process would dictate an increase in the manpower assigned to our Clearance Division.

5. Other issues associated with commercial investigations include the quality of the investigative work even with increased Headquarters monitoring. Indeed, the acceptability by other agencies of clearances based on commercial investigations is unknown. Further, commercially conducted investigations would necessitate the release to non-CIA employees of considerable information about sensitive operations and of the identities of individuals covertly associated with the Agency. Also, mindful of the special inquiries of the last two years into Agency domestic activities, we must be conscious of the possibility that a commercial contractor might misuse the name of the Agency

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*for* Robert W. Gambino

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## ROUTING AND RECORD SHEET

SUBJECT: (Optional)

Presidential Management Initiatives (PMI)

FROM:	EXTENSION	NO.
C/MAS/DDA	STAT	DATE 16 August 1976

TO: (Officer designation, room number, and building)

DATE

RECEIVED

FORWARDED

OFFICER'S  
INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

1. C/P&PG/OS  
4E-58, Hqs.Don: This will confirm my  
telecon with Jack this morning:

2.

STAT

ActionAt a meeting with [ ]  
O/Compt, on Friday afternoon, she  
requested the following from DDA:

3.

4.

5.

6.

7.

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1. Identification of functions  
against which we maintain produc-  
tivity measurements. (Ref: PMI  
Section 5 - Personnel Management)

8.

9.

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2. Description of any past  
studies on contracting out of  
functions (Ref: PMI Section 4 -  
Contracting Out and Holding Down  
Overhead Costs - Part A). In  
this connection, [ ]  
also requested comments on feasi-  
bility of commercial contract for  
guard services.

10.

11.

12.

13.

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O/Compt is planning to forward  
its initial reply to OMB on  
23 August. [ ] did not  
give us a deadline but did  
request that we forward individual  
responses (thru MAS) as soon as  
possible.

14.

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Information - Copy of:1. Last page of OMB letter on  
PMI, revised 9 August 76;2. Memo for Record from Ms.  
[ ] on results of meeting  
with OMB;3. President's letter to D/OMB  
dtd 24 July 76 on Management  
Initiatives.

15.

[ ]  
Helen

9 Aug 1976 revision

2

D. Agencies should, by August 23, begin a year-long program of evaluation of employee programs in order to identify priority ways of improving overall work force quality. These evaluations will cover the quality of recruitment, the employee performance evaluation process, career advancement, managerial incentives, and training programs.

E. Agencies should, by September 3, begin a year-long program for the careful, systematic reexamination of internal position management and classification systems called for in the President's May 27 memorandum, in accordance with CSC instructions issued July 2.

OMB and CSC may specify special reviews or instructions on a selective basis, in agencies where there seem to be excessive problems of overgrading, duplication of work, or underutilization of personnel resources.

F. Agencies should institute a program to refine existing productivity measurements and extend them to a substantial number of functions not now covered. They should include a progress report on this program as part of their FY 1978 budget submission. General guidance and assistance will be provided by the Bureau of Labor Statistics and the National Center for Productivity and Quality of Working Life.

Agencies should increase the applied use of productivity measures in supporting staffing and budget requirements and for purposes of management evaluation and control. A government-wide goal of two percent improvement in productivity, in the functions currently measured, will be set between now and the end of FY 1978. Each agency should include projected improvements in its calculations for its FY 1978 budget request.

G. Heads of agencies should take a personal interest in ensuring that Presidential employment ceilings for both full-time permanent and total employment are not exceeded.

H. Agencies should evaluate their current internal systems for administering personnel ceilings to look for better ways of ensuring compliance with those ceilings and providing flexibility for intra-agency ceiling reallocation. A report on this evaluation should be submitted to OMB by September 21.

Initial report 23 August

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- Comment from OP*  
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*Initial report 23 August*